

HOUSING SUPPLY & INFRASTRUCTURE GROUP

PROGRESS REPORT

9-15-05

(Note: This report reflects issues and ideas identified by the work group only. It does not represent agreement or consensus as to any one approach or possible solution.)

Overall Goals

The overall goal of the Housing Supply and Infrastructure working group as identified in the agreed upon Scope of Work is as follows:

- Refine existing policies and establish new policies to ensure that the future, long-term housing supply needs of all economic and social segments of the state's population is met.
- Refine existing policies and establish new policies to ensure that the state's public infrastructure and public facilities, both existing and new, are adequately maintained, modernized and upgraded, planned, financed and delivered in order to serve appropriate growth in urban, suburban and rural areas of the state.
- Refine existing policies and establish new policies that better integrate housing and infrastructure decisions, responsibilities and authorities between and among local, sub-regional and regional levels of government.
- Achieve compliance through both regulatory means and through flexible, market-based incentive policies and programs.

First Step: Infill Opportunities

To determine what existing policies might need to be refined or new policies adopted to meet the future housing needs of all segments of the state's population, the group wanted to divide the state into general areas ... urban, suburban and rural ... and evaluate, to the extent possible, the amount of future housing supply that each area could feasibly accommodate.

The first step was to look at the opportunities and barriers to "infill" development in urban areas of the state. The primary type of development under consideration is housing, but mixed-use projects (retail/residential) and light commercial/service uses could also be considered appropriate infill.

The group did not adopt a definition of "infill" but for purposes of this report it includes traditional central cities and older 1st and 2nd tier suburbs.

The group requested that active professionals engaged in infill development ... both builders and planners ... be contacted to get their observations on the major challenges and opportunities to achieving more infill development.

The professional group contacted included: Carol Galante, Bridge Housing; Jeff Lee, The Lee Group, Thom Gamble, Shea Homes, Al Zelinka, RFB Urban Design Consulting; Janet Ruggiero, Planning Director, City of Citrus Heights.

The Infill Challenge

The commitment to grow but in a way that preserves the basic community/neighborhood character and achieves community/neighborhood acceptance

Barriers

1. Land Availability

Most cities do not have an up-to-date database of usable vacant or reuse infill sites/parcels. Because of this it is difficult to assess how much future infill can feasibly be accomplished. The U. C. Berkeley, John Landis study, when it is released, will be helpful in getting a better picture of overall potential.

The professional group noted that even though land may be generally identified as “available”, a closer inspection is needed to determine if natural or man-made obstacles exist. Natural obstacles may include floodplain, drainage & grade separations, creekways, trees, etc. Manmade obstacles may include brownfields, landlocked parcels, existence of buildings or small business tenants.

The size of parcels also poses a potential barrier to development. Parcels that are able to be assembled into 3 to 5 acre blocks are more feasible to develop and trade at a premium. Smaller remnant parcels pose the most difficult challenge.

Even if a parcel is available and can be assembled it still must be in the right “lifecycle” for (re) development.

2. Zoning, Density, Parking, Height & FAR

Most potential infill sites, unless they have been specifically planned, are zoned for other uses such as commercial / industrial and rezoning from residential or mixed-uses can be difficult. Similarly, land zoned for residential uses may require a conditional use permit for higher density, multi-family housing.

Other challenges were parking requirements, height restrictions and floor area ratio (FAR) requirements of many jurisdictions.

It was suggested that a more flexible, adaptable mixed-use, form-based zoning model needs to be applied in urban settings. The traditional “single-use” Euclidian model does not translate well to urban environments. The same was said for the permitting, entitling, fee and environmental review processes in urban areas. Generally speaking, impacts are less in the urban context and the processes should reflect that.

3. Infrastructure & Services

Urban areas lack many of the financing tools available in the suburban context. Financing options that are able to capture some or a portion of the increased value added by new development would be a valuable urban financing tool.

Existing infrastructure in urban areas is often times inadequate to accommodate significant new development and is costly to repair, upgrade and retrofit.

4. Planning

The most useful and adaptable tool for planning for infill opportunities is the existing specific planning process. Through this process the area, zoning, infrastructure, services etc., are considered together in a master planning context.

More and more, cities are initiating specific planning processes to “plant the seeds” to attract investors and developers.

Key to a city initiated planning process is the “transparency” with which the city and the developer engaged the community and community groups. Early education – prior to actual planning – on issues such as design density, safety, schools are critical to successful projects.

Even after community involvement and a transparent planning process there will undoubtedly be some who object and attempt to use litigation to deny worthy projects. City council decisions to approve projects need to be protected against such litigation.

5. Financing Affordable Housing

The unique challenges in an infill context make housing affordability even more difficult. A permanent source of financing affordable housing needs to be established.

Next Steps

The working group will continue discussions to develop best management practices and policy recommendations in four basic areas:

- Better early community education and involvement ... a more “transparent” planning process;
- A more flexible and adaptable planning process that responds to the unique needs / barriers of urban areas and that provides a more certain planning process;
- Fiscal incentive mechanisms to help offset the costs of infrastructure and services associated with new infill development;
- Protecting local government decisions to approve projects against lawsuits.